GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

UNSTARRED QUESTION NO:416
ANSWERED ON:19.07.2016
Shortage of Storage Facility
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Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether onion and potato farmers across the country are distressed due to fall in prices, lack of storage facilities and lack of food processing units;

(b) if so, whether the Government proposes to build godowns to enhance the capacity for storing onion and potato in various States of the country including Maharashtra, if so, the details thereof, State-wise;

(c) whether farmers are compelled to sell off onion at the rate of Re. 1 per kilogram owing to shortage of storage facility and several farmers did not even harvest onion from their fields;

(d) if so, the reaction of the Government thereto; and

(e) the steps taken by the Government to increase storage capacity for onion and potato in various States of the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FARMERS WELFARE

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(a): Wholesale and retail prices of Onion this year are generally lower than that of the last year in almost all major markets including Maharashtra. On the other hand, potato farmers are getting higher prices this year for their produce.

The total cold storage capacity in the country is around 34 million MT, out of which about 75% is used for storage of potato. Onion usually stored in farm proximate well ventilated conventional storages. Financial assistance for setting up food processing units are provided by Ministry of Food Processing Industries (MOFPI). MIDH also provides assistance for establishment of processing units under the sub component of Horticulture Mission for North Eastern and Himalayan States (HMNEH).

Contdâ€¦2/-

(b): Government, through various schemes/mission, is providing financial assistance for creation of additional cold storage/cold chain capacities in the country including Maharashtra. As on 31.03.2016, about 34 million MT capacity of Cold storage/cold chain infrastructure have been assisted/ created in various parts of the country. State wise cold storage capacity created is annexed.

(c) & (d): Average modal price of onion in Maharashtra has been above Rs. 670/ Qtl and All India average has been above Rs. 1130/Qtl since January 2016 (Source: AGMARKNET).

DAC & FW implements Market Intervention Scheme (MIS) for procurement of perishable commodities to protect the growers of these commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production. Under the scheme, in accordance with MIS guidelines, a pre-determined quantity at the fixed Market Intervention Price (MIP) is procured by the agencies designated by the state government for a fixed period or till the prices are stabilized above the Market Intervention Price (MIP) whichever is earlier. The area of operation is restricted to the concerned state only.

Recently, DAC & FW forwarded the request to various onion producing States including Maharashtra to send the proposal for procurement of onion under MIS. However, no proposal has been received from these State Governments so far.

(e): The Government is implementing the following schemes/missions for increasing storage capacity of perishables including onion and potato in the country.

(i) Mission for Integrated Development of Horticulture (MIDH) of DAC&FW
(ii) Integrated cold chain Scheme of MOFPI
(iii) Scheme of Agricultural Processed Food Products Export Development Authority (APEDA) under ministry of Commerce

(iv) Scheme of National Cooperative Development Corporation (NCDC) under DAC &FW
(v) Grameen Bhandaran Yojana of DAC&FW

Under these schemes, financial assistance in the form of grants in aid are provided to farmers/entrepreneurs for setting up cold storages/cold chain infrastructure. Under MIDH financial assistance for low cost onion storage structure is also provided.